

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7126

BILL NUMBER: SB 455

NOTE PREPARED: Jan 6, 2013

BILL AMENDED:

SUBJECT: State Contracts.

FIRST AUTHOR: Sen. Breaux

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides for a penalty if a contractor entering into a contract with a state agency fails to enter into subcontracts with minority and women's business enterprises (MWBE) if the contractor specified in the contract that the contractor would enter into MWBE contracts.

Effective Date: July 1, 2013.

Explanation of State Expenditures: If a contractor fails to enter into subcontracts with minority and women's business enterprises designated in the contract, the awarding state agency may cancel the contract, collect all funds paid to the contractor, exercise rights set out in the contract, or find the contractor not responsible when awarding other contracts. To the extent that a low-cost bidder is considered to be not responsible for other contracts, or if contracts are terminated and the contracting process is reinitiated, costs for projects could increase. Any impact will depend on the circumstances of the contracts and the bids.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Department of Administration.

Local Agencies Affected:

Information Sources:

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